

Mineral Industry Surveys

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PLATINUM-GROUP METALS IN SEPTEMBER 2004

On October 5, 2004, the Defense National Stockpile Center (DNSC) announced the aggregated September 2004 platinum-group metals sales results under basic ordering agreement, DLA-PGM-002. During September, DNSC sold 21 kilograms (kg) of iridium and 31 kg of palladium for an overall value of \$307,000. Awards were made to Dresdner Bank, New York, NY; Precious Metals, London, England; and PGM Trading Corp., New York, NY (Defense National Stockpile Center, 2004).

The price of platinum averaged \$790 per troy ounce (ounce) through the first 9 months of 2004, a 14% increase from the 2003 average. The higher prices—and the sustainability to date of these prices—were driven by binge buying by institutional investors. The increase in prices was not, however, influenced by platinum supply. Supplies have been plentiful since South African producers began ramping up production in 2002 and 2003. Johnson Matthey plc's supply and demand estimates show that the platinum market shifted from a deficit of new supply relative to fabrication demand to a small surplus in 2004. Palladium prices increased in the first 9 months of 2004, but the rise was not as dramatic or as sustained as for platinum. Palladium prices are still suffering from the massive run-up to \$1,080 per ounce in 2001. This, combined with a recession in the automotive, electronics, and other palladium-using industries, caused fabrication demand for palladium to fall sharply. Since much of the run-up in prices reflected palladium buying by the automotive and electronics industries for inventories, the market found itself in a situation where metal use was much below earlier levels, and most fabricators had

ample inventories to meet their demands (CRU International Ltd., 2004; Johnson Matthey plc, 2004).

During the third quarter of 2004, the Stillwater Mining Company produced 2,900 kg of palladium and 871 kg of platinum compared with 3,510 kg of palladium and 1,030 kg of platinum in the third quarter of 2003. Decreased production was primarily due to 10 days of lost mine production while union workers were on strike and to a 5% decrease in average ore grade during the third quarter of 2004. Realized prices per ounce for mine production in the third quarter of 2004 were \$372 for palladium and \$821 for platinum compared with realized prices of \$353 and \$590 respectively, in the third quarter of 2003. During the first 9 months of 2004, the Stillwater and East Boulder Mines produced 9,980 kg of palladium and 2,950 kg of platinum compared with 13,590 of palladium and 3,110 kg of platinum in the first 9 months of 2003 (Stillwater Mining Company, 2004).

References Cited

- CRU International Ltd., 2004, Platinum group metals - spec buying pushes Pt & Rh higher: London, United Kingdom, CRU International Ltd., September, p. 4-5.
- Defense National Stockpile Center, 2004, Stockpile announces PGM BOA sales for September 2004: Fort Belvoir, VA, Defense National Stockpile Center news release, October 5, 1 p.
- Johnson Matthey plc, 2004, Platinum 2004 interim review: London, United Kingdom, Johnson Matthey plc, November 16, p. 2-5.
- Stillwater Mining Company, 2004, Stillwater Mining reports third quarter results: Columbus, MT, Stillwater Mining Company press release, November 1, p. 3-4.

TABLE 1
PLATINUM-GROUP METALS PRICES¹

(Dollars per troy ounce)

	Platinum	Palladium	Rhodium	Iridium	Ruthenium
2003:					
Low/date	605.00 April 30	151.00 April 16	NA	NA	NA
High/date	842.00 December 17	273.00 January 23	NA	NA	NA
Average	694.44	203.00	530.28	93.02	35.43
2004:					
July:					
Low/date	780.00/2	213.00/2	930.00 ²	205.00 ²	60.00 ²
High/date	834.00/20 and 21	230.00/20 and 21	1,070.00/30	210.00 ²	62.00/30
Average	813.48	222.95	974.76	206.67	60.10
August:					
Low/date	827.00/6	214.00/25	1,080.00/2	205.00 ²	62.00 ²
High/date	888.00/16	223.00/20	1,525.00/9 and 10	205.00 ²	65.00 ²
Average	851.91	217.55	1,299.55	205.00	64.45
September:					
Low/date	831.00/9	207.00/8 and 9	1,120.00 ²	200.00 ²	65.00 ²
High/date	877.00/28	227.00/27	1,290.00/29 and 30	205.00 ²	75.00/29 and 30
Average	851.05	213.95	1,198.57	202.62	68.81
Year to date:					
Low/date	771.00 May 10	200.00 January 5	500.00 January 5 and 6	87.00 February ²	41.00 January 5 and 6
High/date	940.00 April 19	340.00 April 12	1,525.00 August 9 and 10	230.00 March and April ²	72.00 March ²
Average	851.77	238.34	879.40	181.90	59.87

NA Not available.

¹Quotes from Engelhard Industries.

²Occured multiple days in month listed.

Source: Platts Metals Week.

TABLE 2
U.S. IMPORTS FOR CONSUMPTION OF PLATINUM METAL, BY COUNTRY¹

(Kilograms metal content, unless otherwise specified)

Period and country	Platinum grain and nuggets		Platinum sponge		Other unwrought platinum		Platinum, other		Platinum waste and scrap		Platinum coins	
	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)
2003	849	\$18,600	69,700	\$1,480,000	7,210	\$143,000	4,990	\$89,700	5,670	\$37,200	16	\$426
2004:												
June	4	105	6,310	161,000	648	17,400	403	8,540	1,350	10,500	(2)	2
July	3	63	4,440	115,000	1,030	24,200	458	11,100	4,100	6,620	(2)	7
August:												
Australia	--	--	--	--	--	--	715	19,200	--	--	(2) ³	6
Belgium	--	--	252	5,830	--	--	--	--	--	--	--	--
Brazil	--	--	132 ³	1,930	--	--	--	--	--	--	--	--
Canada	2	57	--	--	--	--	25	708	10	306	1 ³	26
China	--	--	--	--	--	--	--	--	500 ³	100	--	--
Colombia	7	173	--	--	--	--	--	--	29	734	--	--
Dominican Republic	--	--	--	--	--	--	--	--	1 ³	13	--	--
Germany	--	--	10	275	73 ³	1,840	148 ³	2,660	12 ³	15	--	--
Hong Kong	--	--	--	--	--	--	--	--	10	302	--	--
Italy	--	--	--	--	51	1,400	--	--	--	--	--	--
Japan	--	--	--	--	6	155	33	848	871	1,350	--	--
Jordan	--	--	--	--	--	--	--	--	6	146	--	--
Mexico	--	--	--	--	--	--	--	--	14,900	6,250	--	--
Netherlands	--	--	--	--	--	--	(2) ³	3	--	--	--	--
Norway	--	--	59	1,550	--	--	--	--	--	--	--	--
Philippines	--	--	--	--	--	--	1	20	5	120	--	--
Russia	--	--	379	10,300	260	6,810	--	--	--	--	--	--
South Africa	2	51	2,210	58,100	1,140	31,500	24	603	--	--	--	--
Switzerland	--	--	--	--	--	--	13 ³	228	--	--	--	--
Taiwan	--	--	--	--	--	--	--	--	1	19	--	--
United Kingdom	1	21	1,050	26,400	1 ³	20	4	96	35	1,080	--	--
Venezuela	--	--	--	--	--	--	--	--	1 ³	31	--	--
Total	12	303	4,090	104,000	1,530	41,700	962	24,300	16,400	10,500	1	32
Year to date	180	4,490	48,800	1,290,000	4,680	123,000	3,730	86,200	556,000	76,500	4	98

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Less than 1/2 unit.

³All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 3
U.S. IMPORTS FOR CONSUMPTION OF PLATINUM-GROUP METALS, BY COUNTRY¹

(Kilograms metal content, unless otherwise specified)

Period and country	Unwrought palladium		Palladium, other		Iridium ²		Unwrought osmium		Unwrought ruthenium		Rhodium ³	
	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)	Quantity	Value (thousands)
2003	83,500	\$518,000	21,000	\$145,000	2,200	\$6,090	53	\$430	15,900	\$16,700	12,000	\$202,000
2004:												
June	8,450	69,100	1,670	11,300	319	2,250	--	--	1,130	1,870	789	21,100
July	6,730	50,300	2,910	19,400	72	510	10	68	1,760	3,150	1,370	39,200
August:												
Belgium	753	5,250	66	463	--	--	--	--	--	--	103	4,340
Canada	237	2,060	--	--	--	--	--	--	--	--	--	--
China	--	--	--	--	--	--	--	--	--	--	(4) ⁵	4
Germany	48 ⁵	135	106 ⁵	907	2 ⁵	9	--	--	29	52	219 ⁵	8,890
Italy	--	--	5	35	3	21	--	--	--	--	--	--
Japan	350 ⁵	1,180	214 ⁵	277	--	--	--	--	--	--	(4) ⁵	18
Norway	402 ⁵	5,600	--	--	--	--	--	--	--	--	(4) ⁵	5
Russia	1,960	13,600	1,110	8,370	--	--	--	--	50	93	92	3,310
South Africa	1,580	9,740	--	--	93	541	--	--	1,220 ⁵	2,030	741 ⁵	24,500
Switzerland	62	432	34	301	--	--	--	--	--	--	12	478
Ukraine	444	2,780	--	--	--	--	--	--	--	--	--	--
United Kingdom	1,200	8,610	53	350	84 ⁵	575	--	--	--	--	499 ⁵	18,900
Total	7,040	49,400	1,590	10,700	182	1,150	--	--	1,300	2,170	1,670	60,400
Year to date	75,200	581,000	12,400	91,100	2,520	13,300	45	174	10,900	18,400	8,820	224,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Unwrought and other forms of iridium.

³Unwrought and other forms of rhodium.

⁴Less than 1/2 unit.

⁵All or part of these data have been referred to the U.S. Census Bureau for verification.

Source: U.S. Census Bureau.

TABLE 4
U.S. EXPORTS OF PLATINUM-GROUP METALS, BY COUNTRY¹

(Kilograms of metal content, unless otherwise specified)

Period and country	Platinum ²		Platinum waste and scrap		Palladium ²		Iridium, osmium, and ruthenium ^{2,3}		Rhodium ²	
	Value		Value		Value		Value		Value	
	Quantity	(thousands)	Quantity	(thousands)	Quantity	(thousands)	Quantity	(thousands)	Quantity	(thousands)
2003	22,200	\$345,000	23,700	\$377,000	22,300	\$110,000	989	\$7,850	479	\$15,100
2004:										
June	2,230	52,600	1,840	31,200	2,070	11,000	55	499	1	146
July	2,200	46,000	2,450	40,300	2,540	9,600	60	558	2	249
August:										
Australia	5	77	--	--	33 ⁴	145	--	--	--	--
Belgium	--	--	--	--	2	7	--	--	--	--
Brazil	83	1,970	--	--	6 ⁴	14	--	--	--	--
Canada	51 ⁴	1,070	206	1,960	160 ⁴	1,170	--	--	--	--
China	28 ⁴	359	--	--	13 ⁴	38	(5) ⁴	8	--	--
Czech Republic	--	--	--	--	2 ⁴	5	--	--	--	--
Denmark	--	--	--	--	15 ⁴	59	--	--	--	--
Dominican Republic	--	--	--	--	1 ⁴	3	--	--	--	--
France	19 ⁴	327	--	--	19 ⁴	139	--	--	--	--
Germany	178 ⁴	2,960	128	1,610	457 ⁴	1,170	1	4	--	--
Haiti	--	--	--	--	(5)	3	--	--	--	--
Hong Kong	57 ⁴	1,360	--	--	9 ⁴	49	9 ⁴	225	(5) ⁴	39
Hungary	(5) ⁴	8	--	--	--	--	--	--	--	--
Iceland	--	--	--	--	(5)	3	--	--	--	--
India	(5) ⁴	3	--	--	--	--	--	--	--	--
Ireland	8 ⁴	84	--	--	1 ⁴	3	--	--	--	--
Israel	--	--	--	--	11 ⁴	27	--	--	--	--
Italy	--	--	--	--	1	4	--	--	--	--
Japan	342 ⁴	6,200	62	1,490	30 ⁴	165	9	80	--	--
Korea, Republic of	(5)	9	--	--	15 ⁴	37	--	--	--	--
Liechtenstein	1 ⁴	15	--	--	(5)	3	--	--	--	--
Malaysia	8 ⁴	77	--	--	4 ⁴	64	29	160	--	--
Mexico	2 ⁴	39	77	425	9 ⁴	32	(5) ⁴	8	(5) ⁴	26
Netherlands	4 ⁴	58	--	--	295 ⁴	648	--	--	--	--
New Zealand	1 ⁴	7	--	--	7	53	--	--	--	--
Philippines	2 ⁴	30	--	--	1	5	--	--	--	--
Romania	(5) ⁴	6	--	--	--	--	--	--	--	--
Singapore	1 ⁴	14	--	--	2	16	--	--	--	--
South Africa	3 ⁴	40	--	--	--	--	--	--	--	--
Sweden	9 ⁴	136	--	--	1 ⁴	16	--	--	--	--
Switzerland	1 ⁴	9	--	--	4	37	--	--	--	--
Taiwan	47 ⁴	1,200	--	--	186 ⁴	685	--	--	--	--
Thailand	3 ⁴	46	--	--	6	43	--	--	--	--
United Kingdom	241 ⁴	5,120	1,640	30,500	424 ⁴	1,720	--	--	--	--
Uruguay	1 ⁴	9	--	--	--	--	--	--	--	--
Total	1,090	21,200	2,110	36,000	1,720	6,360	48	483	(5)	65
Year to date	13,500	247,000	19,600	363,000	22,900	103,000	903	7,630	305	7,000

-- Zero.

¹Data are rounded to no more than three significant digits; may not add to totals shown.

²Unwrought and other forms.

³Gross weight.

⁴All or part of these data have been referred to the U.S. Census Bureau for verification.

⁵Less than 1/2 unit.

Source: U.S. Census Bureau.